

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05

SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 /101 W

-----211107Z 121550 /15

R 181545Z MAY 77

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 3829

INFO AMEMBASSY BELGRADE

AMEMBASSY BUCHAREST

AMEMBASSY BERLIN

AMEMBASSY BUDAPEST

AMEMBASSY HELINSI

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

AMEMBASSY WARSAW

USMISSION OECD PARIS

USMISSION GENEVA

C O N F I D E N T I A L EC BRUSSELS 5079

E.O. 11652: XGDS-1

TAGS: GATT, ETRD, EEWT, EEC

SUBJECT: GATT POLICIES TOWARD EASTERN EUROPE

REF: GENEVA 3690

1. MISSION APPRECIATE CAREFUL ANALYSIS OF PROBLEMS OF TRADING WITH EAST EUROPEAN COUNTRIES CONTAINED IN REFTEL. PROBLEM OF IMPOSING MEANINGFUL OBLIGATIONS ON STATE TRADING COUNTRIES IS VIEWED WITH EQUAL SERIOUSNESS BY EC. MOREOVER, LIKE US, EC  
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HAS NOT YET COME UP WITH A SATISFACTORY ANSWER.

2. HOWEVER, FOR BOTH ECONOMIC AND POLITICAL REASONS WE DISAGREE WITH RECOMMENDATION IN PARA 9-E-2 OF REFTEL WHICH WOULD HAVE US SIDE WITH THE EAST EUROPEAN IN ATTACKING EC QUOTAS ON IMPORTS FROM EASTERN EUROPE. WE RECOGNIZE IMPORTANCE OF OUR BASIC OPPOSITION TO QRS BUT AT SAME TIME GENEVA'S

CONCERN OVER ISSUE OF HOW TO OBTAIN MEANINGFUL TRADE CONCESSIONS FROM EASTERN EUROPE SHOULD WE BELIEVE WEIGH MORE HEAVILY IN POLICY BALANCE. EC AND MEMBER STATES SEE THEIR QR'S AS PROVIDING SOME SMALL LEVERAGE ON EAST EUROPEANS IN EFFORT TO INVOLVE THEM IN MORE RECIPROCAL TRADING ARRANGEMENT. WE DO NOT HAVE THE IMPRESSION THAT COMMISSION OR MEMBER STATES THINK IT DESIRABLE TO CONTINUE THESE QR'S INDEFINITELY; RATHER THEY SEE THEM AS A BARGAINING CHIP TO GIVE UP IN EXCHANGE FOR PRECISELY THE KIND OF CONCESSIONS WE WANT TO OBTAIN OURSELVES WHEN WE GIVE MFN TREATMENT.

3. IN ADDITION POLITICS OF SUPPORTING EAST EUROPEANS AGAINST THE EUROPEAN COMMUNITY ARGUE AGAINST GENEVA QR SUGGESTION.

4. INSTEAD OF GENEVA'S PROPOSAL, WE RECOMMEND CONTINUED CLOSE CONSULTATIONS WITH THE EC TO DETERMINE WHAT A SATISFACTORY QUID PRO QUO, PROBABLY IN THE SAFEGUARDS FIELD, WOULD BE FOR ABANDONING QR'S.  
HINTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, EAST WEST TRADE, ECONOMIC COOPERATION, RELATIONS WITH REGIONAL ORGS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977ECBRU05079  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Original Handling Restrictions:** n/a  
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**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 GENEVA 3690  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GATT POLICIES TOWARD EASTERN EUROPE  
**TAGS:** ETRD, EEWT, XH, GATT, EEC  
**To:** STATE EB  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009